

SENATE No. 1067

The Commonwealth of Massachusetts

PRESENTED BY:

Mark C. Montigny

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to public charity executive and board of directors compensation.

PETITION OF:

NAME:

Mark C. Montigny

DISTRICT/ADDRESS:

Second Bristol and Plymouth

SENATE No. 1067

By Mr. Montigny, a petition (accompanied by bill, Senate, No. 1067) of Mark C. Montigny for legislation relative to public charity executive and board of directors compensation. The Judiciary.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to public charity executive and board of directors compensation.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 180 of the General Laws, as appearing in the 2020 Official
2 Edition, is hereby amended by inserting after section 29 the following sections:-

3 Section 30. Any public charity with annual gross revenues in excess of \$1,000,000.00
4 are subject to the following provisions:

5 (a) no officer, director acting in an executive capacity, or senior manager shall receive
6 annual compensation in excess of \$500,000.00;

7 (b) compensation, as defined by this section, includes salary, bonus payments, incentive
8 payments, deferred compensation, severance payments, below market rate loans, and the lease or
9 rental of any vehicle.

10 Section 31. Board of director or trustees; prohibition against compensation

11 No public charity shall provide compensation as defined in subsection b of section 30 of
12 this chapter to any member of the board of directors or trustees appointed by a public charity:
13 provided, however, that a member of the board of directors or trustees may receive
14 reimbursement for expenses directly related to the members duties and responsibilities as a
15 member of the board.

16 Section 32. Waiver Hearing

17 Any public charity as defined in section 30 of this chapter seeking to compensate an
18 officer, director, trustee, or senior manager in excess of the executive compensation cap as
19 defined in section 30 of this chapter or compensate a member of the board of directors or trustees
20 of the public charity shall be entitled to a public hearing before a commission comprised of the
21 secretary of the commonwealth, inspector general, and the attorney general (“commission”).

22 Any public charity seeking said waiver shall request a hearing in writing to the
23 commission indicating good cause for any deviation from the limits set forth in section 30 or
24 section 31. The commission shall commence a hearing to consider whether good cause exists to
25 issue said waiver within six months of receipt of a written request. No waiver shall be granted
26 unless a finding of good cause is determined by the commission following the hearing.

27 Any public charity seeking a waiver from the commission shall engage an independent
28 auditor at its own expense to provide the commission with a written report at least seven days
29 prior to the hearing.

30 The commission shall review and consider the independent auditor’s report at the waiver
31 hearing. The public charity and members of the general public shall be permitted to present
32 additional evidence in support or opposition to such a waiver subject to the discretion of the

33 commission; all audit documents and any additional evidence submitted at a waiver hearing shall
34 be deemed public records subject to section ten of chapter sixty-six of the general laws.

35 At the close of the waiver hearing, the commission shall weigh all evidence presented,
36 the charitable purpose of the public charity, and the public interest of the commonwealth.

37 Any final determination as to whether a waiver shall be granted shall rest solely with the
38 commission who shall make said determination in writing within thirty days of the waiver
39 hearing. Such a waiver shall be granted only if deemed in the public interest of the
40 commonwealth. If a waiver is granted, it shall be valid only for a period of five years from the
41 date of the decision. A public charity may request a subsequent waiver hearing prior to the
42 expiration of a valid waiver granted by the commission.

43 Section 33. Penalties

44 Any public charity found in violation of sections 30 or 31 and having failed to obtain a
45 waiver pursuant to section 32, shall lose its status as a public charity under the laws of the
46 commonwealth.